

**State Incentives for Hybrid Electric Vehicles**  
[www.eere.energy.gov/cleancities/incen\\_laws.html](http://www.eere.energy.gov/cleancities/incen_laws.html) 12/13/04

**CO:** Prior to July 1, 2011, an income tax credit is available from the Colorado Department of Revenue for the incremental cost of purchasing an AFV or for the conversion of a vehicle to operate using an alternative fuel. HEVs also qualify for this incentive.

**CT:** Prior to July 1, 2008, new HEVs with a U.S. Environmental Protection Agency fuel economy rating of at least 40 mpg are exempt from sales tax.

**FL:** ILEVs and HEVs that are certified and labeled in accordance with federal regulations may be driven in HOV lanes at any time, regardless of the number of passengers in the vehicle.

**GA:** Hybrid electric vehicles (HEVs) shall be authorized to use high occupancy vehicle lanes, regardless of the number of passengers if the U.S. Congress or U.S. Department of Transportation approve such authorization through legislative or regulatory action.

**KY:** Organizations or individuals located in non-attainment areas are eligible for Congestion Mitigation and Air Quality Improvement Program vehicle rebates for dedicated Original Equipment Manufactured (OEM) alternative fuel vehicles (AFVs): \$2,000 per dedicated light or medium-duty AFV and \$4,000 per dedicated heavy-duty AFV. Rebates are also available for hybrid electric vehicles and low speed vehicles operating within a fleet.

**ME:** A partial sales tax credit of approximately \$500 is available for hybrid cars that **DO NOT** have a comparable vehicle model, such as the Toyota Prius and Honda Insight. A credit of approximately \$300 is available for cars that **DO** have a comparable gasoline-powered model, such as the hybrid Honda Civic.

**NJ:** New Jersey's AFV Rebate Program offers rebates to local government for HEVs. The rebate amounts, shown in the table below, vary according to the vehicle weight class (and incremental cost).

<b>Vehicle Weight</b>	<b>Rebate Amount (dedicated or hybrid)</b>	<b>Rebate Amount (bi-fuel)</b>
Light-duty (<8,500 pounds (lbs.))	Up to \$4,000	Up to \$2,000
Medium-duty (8,500-14,000 lbs.)	Up to \$7,000	Up to \$4,000
Heavy-duty (>14,000 lbs.)	Up to \$12,000	Up to \$6,000

**NY:** 1. New York's Alternative Fuel (Clean Fuel) Vehicle Tax Incentive Program offers a tax credit of \$2,000.  
2. A sales tax exemption is also available for the incremental cost of alternative fuel vehicles and the cost of clean-fuel refueling property. For qualified hybrid electric vehicles, the sales tax exemption is equal to \$3,000 unless the vehicle manufacturer certifies a higher incremental cost.

**OR:** 1. A Business Energy Tax Credit (BETC) is available for the incremental cost of purchasing hybrid electric vehicles (HEVs). The tax credit is 35% of the incremental cost of the system or equipment and is taken over five years.

2. A Residential Tax Credit (RETC) of up to \$1,500 is available for the incremental cost of a HEV.

**PA:** The purchase of a HEV is eligible for funding under the Alternative Fuels Incentive Grant program; funding amounts vary.

**UT:** The state provides an income tax credit for 50% of the incremental cost (\$3,000 maximum) of a clean-fuel vehicle built by an OEM. **Tax credits are not available for electric hybrids, except the Honda Civic hybrid.**

**VT:** Businesses in Vermont that are involved exclusively in design, development, and manufacture of electric vehicles (EVs), alternative fuel vehicles (AFVs), or hybrid vehicles (HEVs) are eligible for up to three of the following income tax credits:

- A percentage of increased payroll costs;
- 10% of qualified research and development expenditures;
- A credit against export taxes;
- 5% to 10% of total investments in plants or facilities and machinery and equipment (small business investment tax credit);
- Up to 6% of investments in machinery and equipment (\$100,000 per year maximum);
- Up to 6% of investments for renovation of existing facilities to provide cable, fiber or telecommunications access;
- 20% of qualified training, education and workforce development expenditures; sales and use tax exemption for approved personal computers and software.

**WA:** Effective June 13, 2002, hybrid motor vehicles that obtain a rating by the U.S. Environmental Protection Agency of at least 50 miles per gallon of gas during city driving are also exempt from emissions control inspections.